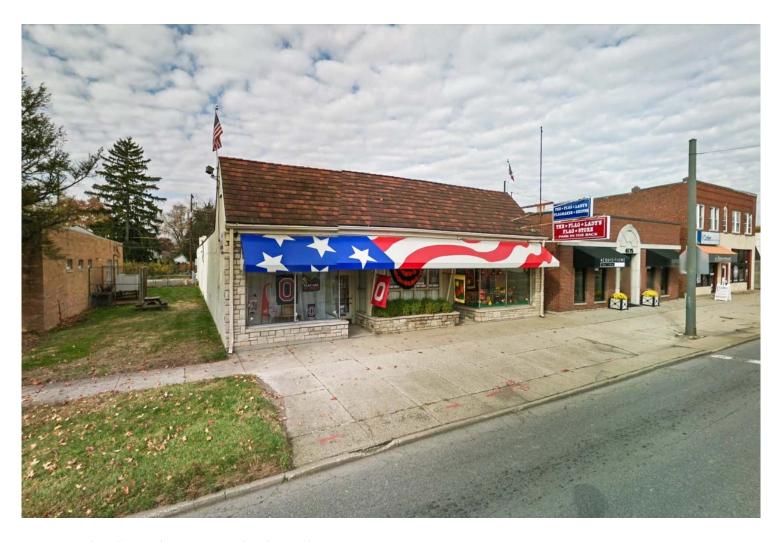
U.S. NEWS

Judge presiding over Ohio State sex abuse scandal lawsuits flagged for wife's business ties to OSU

Judge Michael H. Watson insisted he did not cross ethical lines but said there could be an "appearance of impropriety."



— The Flag Lady store in Columbus, Ohio. Google maps

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By Corky Siemaszko

The federal judge presiding over the lawsuits against Ohio State University brought by hundreds of men who were sexually abused by school doctor Richard Strauss failed to disclose that his wife has a licensing agreement with the university to sell OSU flags.

Judge Michael H. Watson made the admission Thursday during a meeting with the victims' lawyers and attorneys for OSU after an NBC News reporter asked whether the judge had informed all the parties about the business ties his wife, Lori Leavitt Watson, has to the university, said Eric Weitz, a spokesman for the Southern District of Ohio.



— A tag sewn into a flag with the name of The Flag Lady store in Columbus, Ohio, which is owned by Lori Leavitt Watson, wife of Judge Michael H. Watson. via NBC News

Lori Leavitt Watson owns The Flag Lady's Flag Store in Columbus, Ohio, which was started by her mother and sells, among other things, the red-and-silver OSU flags that are ubiquitous in Columbus.

"Ethical considerations are of the utmost importance to Judge Watson and this Court," Weitz said in an email to NBC News on Thursday. "Judge Watson previously disclosed to the parties the fact that he is an adjunct professor for the law school—to which no party took issue—but your question prompted him to check prior transcripts regarding disclosure of his wife's licensing agreement with the undergraduate university. Upon review, it appears that he did not disclose this fact on the record previously, and he has now disclosed it."

Weitz did not provide the details of Lori Leavitt Watson's deal with OSU. Michael H. Watson said his wife "owns a flag business that sells Ohio State licensed products" but did not disclose how much money this licensing agreement brings to the company, according to a transcript of Thursday's hearing obtained Friday by NBC News.

— Lori Leavitt Watson, wife of Judge Michael H. Watson, owns The Flag Lady store in Columbus, Ohio, which was started by her mother and sells, among other things, the red and silver OSU flags that are ubiquitous in Columbus. via NBC News

"The licensing agreement merely permits her business to manufacture and sell to the public OSU authorized trademark merchandise and her small business pays a 12 percent royalty to the university" with each sale, the judge said.

He said neither he nor his wife have a "financial interest in the Ohio State University as defined by the Code of Conduct for United States Judges or as described in the advisory ethics opinions interpreting the code. Therefore, my wife's business dealings with the university do not ethically mandate my recusal from cases involving the university," according to the transcript.

Still, he said, "the appearance of impropriety may be implicated."

So Michael H. Watson gave the lawyers representing the victims 10 days to confer with their clients to decide whether "my impartiality has been compromised," according to the transcript.

"The plaintiffs in this case have unquestionably been abused and taken advantage of by Dr. Strauss," Michael H. Watson said in the meeting Thursday, according to the transcript. "But I want to ensure that all parties feel heard by the Court."

NBC News Exclusive: OSU sexual assault victim speaks out for first time



But OSU has also been a customer of the store.

"Ohio State purchases products and services from approximately 34,000 vendors around the world, including the Flag Lady's Flag Store," Johnson said. "The university is proud to support many local businesses and spent less than \$16,000 at the store in fiscal year 2021. All purchases were approved by University Purchasing in accordance with applicable rules and regulations."

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NBC News also reached out to Lori Leavitt Watson by phone and email for more information about her deal with OSU but did not get a response.

Michael H. Watson, a 64-year-old Akron native, was nominated to the federal bench by President George W. Bush in 2004.

Rocky Ratliff, a former OSU wrestler and a lawyer for 48 victims, said he will be reaching out to his client's individually but that he "suspect[s] my guys will ask that he recuse himself."

"Honestly, some of these cases have been pending for over three years and the victims are getting extremely frustrated about the process, and now it's disclosed that the judge's wife has a financial connection to Ohio State."

"I have already received a call from one of my clients that entered OSU's settlement program last Friday, and he is extremely upset because he based his decision on the belief that this judge would throw out his case," Ratliff said.

Former OSU student gets emotional discussing Strauss sex abuse scandal



NBC News reached out to OSU by phone and email for comment on the judge's decision to give lawyers 10 days to speak with their clients. So far there has been no response.

Groups of Strauss victims and their lawyers are also planning to meet Monday to discuss the latest development, said former OSU wrestler and Strauss victim Mike Schyck.

"This certainly throws a wrench into everything," Schyck said. "For 3 1/2 years we've been on pins and needles while Ohio State has been slow-walking this process and doing everything it can to delay settling with us, and now we're going on the fourth year in and we might have to start over with a new judge."

Dr. Richard Strauss in his 1978 employment application from Ohio State University's personnel files.
Ohio State University via AP file

Strauss worked for Ohio State from mid-1970s to late 1990s. He killed himself in 2005.

OSU found itself under fire in 2018 after a whistleblowing former Ohio State wrestler named Mike DiSabato went public with allegations that Strauss sexually abused him and hundreds of other athletes under the guise of providing routine examinations and that the school knew about this but did nothing to stop him.

An independent investigation by law firm Perkins Coie concluded in May 2019 that Strauss sexually abused at least 177 male students and athletes and that coaches and administrators knew about this for two decades but failed to stop him.

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